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SUBJECT: SPD POSITIONED AS KINGMAKER IN THURINGIA COALITION DILEMMA

REF: LEIPZIG 25

Summary

 $\P 1$ . (SBU) The Christian Democratic Union (CDU) suffered a severe blow in the Thuringia state elections August 30, losing its absolute majority. This has been interpreted as a setback on the national level as well, since the CDU came up short of being able to form a coalition with its preferred partner, the Free Democratic Party (FDP), before the September 27 Bundestag elections. The Social Democratic Party (SPD) won 18.5 percent and will be the "kingmaker" in coalition negotiations; currently, party leadership is weighing possible coalition options with both the CDU and the Left Party, which came in second with 27.4 percent of the vote. Both choices present political conundrums: The SPD campaigned against Minister-President (MP) Dieter Althaus's CDU personally, but now SPD lead candidate Christoph Matschie is not ruling out a coalition with that party. At the same time, the SPD has rejected serving in a coalition where the Left Party provides the minister-president, something the Left Party as the stronger party would have the right to do. Formation of a new coalition before the national elections does not appear likely since it could provide political fodder for the CDU. End Summary.

Thuringia: CDU Loses Ground

- 12. (U) State elections on August 30th brought unhappy results for MP Dieter Althaus's CDU, which, with 31.8 percent of the votes lost 11.8 percent compared with elections in 2004 and came up short of being able to form a coalition with the FDP, its preferred partner. The CDU had polled in the 40's until two weeks before the elections. It appears that an unpopular stance on tax reform and the failure of Magna to take over Opel may have swayed voters away from the CDU. The continuing repercussions of a January 1st ski accident which resulted in Althaus being convicted of manslaughter, also took their toll on election day.
- ¶3. (U) The Left Party ran a close second with 27.4 percent of the vote (+ 1.3 percent). The SPD won 18.5 percent (+ 4 percent), the FDP 7.6 percent (+ 4), and the Greens 6.2 percent (+ 1.7). The right-wing extremist National Democratic Party (NPD) received 4.3 percent, missing the 5 percent threshold necessary for entry into the state parliament.

The SPD Holds the Key

14. (SBU) The SPD must now decide whether to turn to a coalition with Thuringia's weakened CDU, or to enter into a coalition with the Left Party. Both constellations could be problematic for the SPD; the SPD campaigned on the need for change, including throwing Althaus out of office, and could appear weakened if it now enters a partnership with the CDU. Trying to enter a coalition with the stronger Left Party could also present problems since the Left Party could insist on taking the Minister-President's office -- something the SPD said would be

unacceptable. The Left Party MP candidate Bodo Ramelow told Berlin and Leipzig Poloffs August 27 that he would not enter into a coalition where Matschie is MP, but left open whether he would insist himself on becoming MP. The Left Party has indicated that the SPD should push aside Matschie in favor of another lead candidate (reftel).

Comment

15. (SBU) Although election results are in, which way Thuringia turns politically is still open and is likely to remain so until after the national elections. The SPD appears split on which direction to turn to form a coalition, to the left or to the right. In Thuringia, contacts told us they believe the party will postpone a decision on entering a coalition until after the national elections. Forming a coalition with the Left Party in Thuringia prior to national elections could damage the national SPD prior to the September 27 elections. It would allow the national CDU to argue that this is a sign of things to come -that the national SPD lacks credibility in maintaining it will not form a coalition with The Left on the national level. Many attribute the national SPD's current weakened state to the Hessen state SPD's flirtation with the Left Party last year. The Thuringia SPD may be in a no-win situation since, according to Thuringia SPD state party manager, its membership is divided between those who favor forming a coalition with the Left Party and those who favor a coalition with the CDU. Either way, it is bound to alienate part of its membership. End Summary.

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